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June 9, 1998

Janice Fort
Surface Transportation Board
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Washington D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD

JUN 10 9 26 AM '98

RECORDATION NO. 21463 FILED

JUN 10 '98 9-26 AM

Dear Janice,

Enclosed is an original plus 1 copy, both notarized. This is an Assignment and Assumption Agreement and Consent dated 4/30/98 between Georgia Power Company, Alabama Power Company and The CIT Group/Equipment Financing Inc. Also, enclosed is a check made payable to: Surface Transportation Board.

After recording the document, please return the acknowledgment copy to my attention. I have enclosed a FED X air bill to return the results to me.

If you have any questions regarding the filing, please feel free to call me at 800-634-9738 ext. 20254.

Thank you for your prompt assistance.

Sincerely,

Rebecca Heisler
Administrator

enclosure

JUN 10 '98

9-26 AM

ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT

ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT, dated as of April 30, 1998, by and among GEORGIA POWER COMPANY, a Georgia corporation ("Assignor"), ALABAMA POWER COMPANY, INC., an Alabama corporation ("Assignee"), and THE CITY GROUP/EQUIPMENT FINANCING, INC., a New York Corporation ("Lessor") ("Agreement").

1. Lessor and Assignor entered into a Master Net Railcar Lease, dated as of October 21, 1997 (hereinafter referred to as the "Lease"), pursuant to which Lessor leased certain railcars ("Cars") to Assignor. Shortly thereafter, Assignor and Assignee determined that Assignee was the more appropriate lessee of the Cars, and Assignor and Assignee have requested Lessor to undertake the assignment and assumption contemplated hereby.

2. Subsection 9.F of the Lease requires that Lessor consent to any assignment thereof by Assignor. CIT is agreeable to such assignment on the terms and conditions hereafter set forth.

In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Statement of Terms

1. Terms herein which are defined in the Lease are used herein with the respective meanings set forth in the Lease.

2. Assignee hereby confirms that effective as of JANUARY 1, 1998, Assignee unconditionally assumed and agreed to pay, discharge, satisfy and perform, to the extent provided in the Lease, any and all liabilities and obligations of Assignor under the Lease and any other document executed pursuant thereto, of every kind and nature, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, secured or unsecured, known or unknown as of that date, either at that time or at any future time.

3. Without limiting the generality of the foregoing assumption of rights, obligations and liabilities, Assignee expressly affirms (1) that the assumption of rights, obligations and liabilities of Assignor by Assignee and the agreement by Assignee to pay and discharge the same, as contained and set forth herein, is, to the extent provided in the Lease, an unconditional promise of payment and performance by Assignee, and Assignee's duties and obligations with respect thereto shall be construed to be that of a principal and not that of a surety, (b) that the Lease may not be cancelled or terminated except as expressly provided therein and (c) that Lessor is the legal and beneficial owner of the Cars, and all accessions, additions and attachments thereto, and

substitutions and replacements therefor and all proceeds (including insurance proceeds) of any of the foregoing.

4. In order to induce Lessor to consent to this Agreement, Assignee hereby confirms that it shall have been deemed to have made the representations and warranties set forth in the Lease and that no event of default or event or condition which could mature into an event of default under the Lease has occurred and is continuing.

5. Lessor consents to the transfer of Assignor's leasehold interest in the Cars to, and the assumption of Assignor's obligations under the Lease by, Assignee, which consent shall become effective upon all of the following conditions precedent having been fulfilled:

(a) Lessor shall have received an executed copy of this Agreement, duly executed by an authorized officer of Assignee not later than April 30, 1998; and

(b) CIT shall have received evidence satisfactory to it as to the compliance by Assignee with the provisions regarding insurance contained in the Lease.

Until such time as Lessor's consent shall become effective, Assignor remains the Lessee under the Lease and shall not be released by Lessor from its obligations as Lessee under the Lease.

6. All notices, demand and other communications under the Master Net Railcar Lease or this Agreement shall be in writing and shall be deemed to have been given or made if sent by telecopier, by hand, by courier against receipt or when deposited in the United States mail, first class postage prepaid, addressed as follows or to such other address as any of the following persons may from time to time designate in writing to the other persons listed below:

CIT: The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas, 21st Floor
New York, New York 10036
ATTENTION: Senior Vice President/Rail Group
Telecopier No.: 212-536-9397

Assignee: Southern Company Services, Inc.
Agent for Alabama Power Company
600 North 18th Street, Bin 14N-8163
Birmingham, Alabama 35291
ATTENTION: Mark H. Filkins, Fuel Services
Telecopier No.: 205-257-5765

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. This Agreement may be executed by the parties hereto on any number of separate counterparts shall together constitute but on and the same instrument.

8. This Agreement shall be filed by Lessor with the Surface Transportation Board.

IN WITNESS WHEREOF, Assignor, Assignee and CIT have each executed this Agreement as of the day and year first above written.

GEORGIA POWER COMPANY
Assignor

By: RL Boyer

Title: V.P. Power Generation

THE CIT GROUP/EQUIPMENT
FINANCING, INC., Lessor

By: [Signature]

Title: Vice President

ALABAMA POWER COMPANY
Assignee

By: Earl B. Parsons Jr.

Title: Senior Vice President

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

SS:

On this 21st day of May, 1998, before me, LAWRENCE E. LITTLE,
personally appears he/she is the VICE PRESIDENT of THE CIT
GROUP/EQUIPMENT FINANCING, INC. (the "Company"), that the foregoing
instrument was signed on behalf of the said Company by authority of its Board of
Directors, and he/she acknowledged that the execution of the foregoing instrument was
the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Barbara Garner
Notary Public

BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 3, 1998

(SEAL)

My Commission expires: _____

STATE OF GEORGIA)
)
COUNTY OF FULTON)

SS:

On this 7th day of May, 1998, before me
personally appears he/she is the VICE PRESIDENT of
GEORGIA POWER COMPANY (the "Company"), that the foregoing instrument was
signed on behalf of the said Company by authority of its Board of Directors, and he/she
acknowledged that the execution of the foregoing instrument was the free act and deed
of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

H. R. Dodge
Notary Public

(SEAL)

NOTARY PUBLIC
My Commission Expires March 11, 2002

My Commission expires: _____

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

SS:

On this 27th day of April, 1998, before me personally appears he/she is the Senior Vice President of ALABAMA POWER COMPANY (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Jane C. Hawkins
Notary Public

(SEAL)

My Commission expires:

5/26/98